

January 11, 2013

Suzanne Elliott, CPA  
Louisiana Legislative Auditor  
1600 North Third Street  
P O Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Ms. Elliott, CPA

We are resubmitting the Catholic Charities Archdiocese of New Orleans and Subsidiaries of New Orleans, Louisiana to incorporate the implementation of the clarity standards effective for audit reports of *other engagements* (as defined by SAS 125) that are issued after December 15, 2012. Accordingly, we have changed the last paragraph of our previously issued Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and the Schedule of Expenditures of Federal accordingly

We apologize for the inconvenience Please let us know if you have any questions

Very truly yours,



Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 16 2013

REISSUE

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**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**  
**AND SUBSIDIARIES**

**FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

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**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**  
**AND SUBSIDIARIES**

**FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

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**Report of Independent Auditors**

**Most Reverend Gregory M. Aymond and the Board of Directors,  
Catholic Charities Archdiocese of New Orleans and Subsidiaries, New Orleans, Louisiana**

We have audited the accompanying consolidated statements of financial position of Catholic Charities Archdiocese of New Orleans (the Agency) and Subsidiaries (nonprofit organizations) as of June 30, 2012 and 2011 and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Agency's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Agency at June 30, 2012 and 2011, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2012 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were performed for the purpose of forming an opinion on the basic consolidated financial statements of Catholic Charities Archdiocese of New Orleans and Subsidiaries taken as a whole. The consolidating information contained on pages 24 through 30 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements rather than to present financial position, results of operations, and functional expenses of the individual programs, and it is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations, and functional expenses of the individual programs. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information contained on pages 28 through 34 is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The supplemental information contained on pages 31 and 32, Schedule of Activities by Program Services, and page 33, Section A of the Schedule of Support, Revenue, and Expenses Prepared for the United Way of Southeast Louisiana is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The supplemental information included in Section B of the Schedule of Support, Revenue, and Expenses Prepared for the United Way of Southeast Louisiana contained on page 33 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Agency. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion on it.

*Postlethwaite & Nettville*

Metairie, Louisiana  
December 12, 2012

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES**  
**NEW ORLEANS, LOUISIANA**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

June 30, 2012 and 2011

**ASSETS**

	<u>2012*</u>	<u>2011</u>
Cash	\$ 3,134,605	\$ 9,791,686
Program accounts receivable	5,595,437	5,912,597
Contributions receivable		
Pledges	5,217,806	1,214,799
United Way	733,223	1,154,286
Other receivables	50,871	215,286
Undistributed food on hand	-	4,315,926
Prepaid expenses and deferred charges	403,396	499,455
Investments	9,355,028	12,145,192
Property and equipment - net	<u>16,601,598</u>	<u>27,578,300</u>
 Total assets	 <u>\$ 41,091,964</u>	 <u>\$ 62,827,527</u>

**LIABILITIES AND NET ASSETS**

<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 2,771,643	\$ 4,196,908
Deferred revenue	328,116	311
Unemployment accrual	110,529	53,904
Accrual for uninsured claims	1,739,273	2,625,000
Loans payable	16,453	5,092,016
Funds held for others	<u>255,468</u>	<u>228,966</u>
 Total liabilities	 <u>5,221,482</u>	 <u>12,197,105</u>
 <b>Net assets</b>		
Unrestricted	20,846,906	35,603,985
Temporarily restricted	13,916,855	12,667,354
Permanently restricted	<u>1,106,721</u>	<u>2,359,083</u>
 Total net assets	 <u>35,870,482</u>	 <u>50,630,422</u>
 Total liabilities and net assets	 <u>\$ 41,091,964</u>	 <u>\$ 62,827,527</u>

\* See disclosure regarding the divestiture of Second Harvest in Note 1

See notes to consolidated financial statements

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES  
NEW ORLEANS, LOUISIANA**

**CONSOLIDATED STATEMENTS OF ACTIVITIES**

For the years ended June 30, 2012 and 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	2012 Totals	Unrestricted	Temporarily Restricted	Permanently Restricted	2011 Totals
<b>Revenues</b>								
Public support								
Contributions	\$ 3,952,059	\$ 15,974,858	\$ 3,000	\$ 19,929,917	\$ 9,541,975	\$ 8,548,346	\$ 5,000	\$ 18,095,321
Contributed goods and services	561,707	-	-	561,707	34,412,153	-	-	34,412,153
United Way								
Southeast Louisiana								
Allocations	41	421,932	-	421,973	-	756,289	-	756,289
Designations	209,917	-	-	209,917	202,807	-	-	202,807
Combined Federal Campaign	26,474	-	-	26,474	70,423	-	-	70,423
St. Charles Parish								
Allocations	-	293,664	-	293,664	5,600	372,350	-	377,950
St. John Parish								
Allocations	56,825	-	-	56,825	81,250	-	-	81,250
Acadiana								
Allocations	-	-	-	-	32,357	-	-	32,357
Special events (net of direct costs)	227,278	-	-	227,278	291,399	-	-	291,399
Total public support	5,034,301	16,690,454	3,000	21,727,755	44,637,964	9,676,985	5,000	54,319,949
Governmental financial assistance								
Federal	31,091,432	1,508	-	31,092,940	45,126,590	15,972	-	45,142,562
Other governmental agencies	1,188,628	-	-	1,188,628	3,395,008	-	-	3,395,008
Total governmental financial assistance	32,280,060	1,508	-	32,281,568	48,521,598	15,972	-	48,537,570
Other Revenue								
Program service fees	2,231,194	-	-	2,231,194	2,966,806	-	-	2,966,806
Rent	14,458	-	-	14,458	402,800	-	-	402,800
Miscellaneous	254,633	-	-	254,633	684,887	-	-	684,887
Loss on disposition of property	(202,243)	-	-	(202,243)	(103,466)	-	-	(103,466)
Property recoveries	38,202	-	-	38,202	236,214	-	-	236,214
Net assets released from restrictions - operations	14,609,596	(14,554,929)	(54,667)	-	13,718,426	(13,601,840)	(116,586)	-
Total other revenue	16,945,840	(14,554,929)	(54,667)	2,336,244	17,905,667	(13,601,840)	(116,586)	4,187,241
Total revenue	54,260,201	2,137,033	(51,667)	56,345,567	111,065,229	(3,908,883)	(111,586)	107,044,760
<b>Expenses</b>								
Program services	52,509,069	-	-	52,509,069	99,657,987	-	-	99,657,987
Management and general	2,077,324	-	-	2,077,324	3,216,754	-	-	3,216,754
Fundraising	1,005,774	-	-	1,005,774	2,443,108	-	-	2,443,108
Total expenses	55,592,167	-	-	55,592,167	105,317,849	-	-	105,317,849
Change in net assets before investment activity	(1,331,966)	2,137,033	(51,667)	753,400	5,747,380	(3,908,883)	(111,586)	1,726,911
Investment income	85,895	49,789	8,586	144,270	1,570,633	295,032	418,282	2,283,947
Change in net assets	(1,246,071)	2,186,822	(43,081)	897,670	7,318,013	(3,613,851)	306,696	4,010,858
<b>Net Assets</b>								
Beginning of year	35,603,985	12,667,354	2,359,083	50,630,422	28,285,972	16,281,205	2,052,387	46,619,564
Divestiture of Second Harvest (Note 1)	(13,511,008)	(937,321)	(1,209,281)	(15,657,610)	-	-	-	-
End of year	\$ 20,846,906	\$ 13,916,855	\$ 1,106,721	\$ 35,870,482	\$ 35,603,985	\$ 12,667,354	\$ 2,359,083	\$ 50,630,422

See notes to consolidated financial statements



**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES**  
**NEW ORLEANS, LOUISIANA**

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**

For the years ended June 30, 2012 and 2011

	2012				2011			
	Program Services	Management and General	Fundraising	2012 Totals	Program Services	Management and General	Fundraising	2011 Totals
Salaries	\$ 20,461,237	\$ 1,218,559	\$ 458,640	\$ 22,138,436	\$ 22,247,524	\$ 1,859,217	\$ 813,788	\$ 24,920,529
Employee benefits	2,974,243	214,282	76,600	3,265,125	2,976,103	271,050	119,447	3,366,600
Payroll Taxes	1,485,406	85,646	32,816	1,603,868	1,593,987	133,301	59,105	1,786,393
Total salaries and related expenses	24,920,886	1,518,487	568,056	27,007,429	26,817,614	2,263,568	992,340	30,073,522
Professional fees and contract services	2,102,642	210,232	305,771	2,618,645	2,935,330	405,376	466,230	3,806,936
Supplies and other operating expenses	1,850,882	35,230	56,117	1,942,229	2,624,384	119,419	797,476	3,541,279
Equipment expense	523,741	34,071	14,973	572,785	943,325	120,545	37,213	1,101,083
Occupancy	2,646,717	120,572	30,827	2,798,116	3,240,033	112,307	42,225	3,394,565
Travel and transportation	1,260,525	7,552	2,334	1,270,411	1,978,540	9,839	6,317	1,994,696
Personnel recruitment and development	216,540	53,604	2,218	272,362	435,688	119,731	29,148	584,567
Insurance	807,542	23,313	5,861	836,716	907,077	6,848	149	914,074
Food	728,762	229	5	728,996	45,152,618	331	75	45,153,024
Contributed goods and services	561,707	-	-	561,707	458,628	-	-	458,628
Litigation and related changes in estimate	27,500	-	-	27,500	(682,327)	-	-	(682,327)
Chinese drywall repairs	1,000,000	-	-	1,000,000	2,600,000	-	-	2,600,000
Miscellaneous	99,056	36,831	17,683	153,570	192,472	52,020	59,477	303,969
Specific assistance to individuals	14,362,951	-	-	14,362,951	9,805,524	-	-	9,805,524
Interest	4,278	-	-	4,278	338,210	-	-	338,210
Amortization	11,418	-	-	11,418	11,418	-	-	11,418
Depreciation	1,383,922	37,203	1,929	1,423,054	1,899,453	6,770	12,458	1,918,681
Total expenses	\$ 52,509,069	\$ 2,077,324	\$ 1,005,774	\$ 55,592,167	\$ 99,657,987	\$ 3,216,754	\$ 2,443,108	\$ 105,317,849

See notes to consolidated financial statements

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES**  
**NEW ORLEANS, LOUISIANA**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 897,670	\$ 4,010,858
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,423,054	1,918,681
Amortization	11,418	11,418
Gain on investments, net	(144,270)	(2,084,041)
Provision for uninsured claims	(885,727)	1,257,500
Loss on disposal of property and equipment	202,243	192,555
Change in assets and liabilities		
Accounts receivable	(4,372,263)	1,001,227
Prepaid expenses and deferred charges	(31,211)	486,037
Undistributed food on hand	-	(2,012,126)
Accounts payable and accrued expenses	(415,140)	1,080,721
Unemployment accrual	67,237	14,531
Deferred revenue	327,805	(137,360)
Net cash provided (used in) by operating activities	<u>(2,919,184)</u>	<u>5,740,001</u>
<b>Cash Flows from Investing Activities</b>		
Sale of investments, net of purchases	114,677	540,717
Purchases of property and equipment	(1,054,029)	(3,919,906)
Proceeds from sale of property and equipment	41,666	291,786
Divestiture of Second Harvest (Note 1)	(2,842,415)	-
Net cash used in investing activities	<u>(3,740,101)</u>	<u>(3,087,403)</u>
<b>Cash Flows from Financing Activities</b>		
Funds held for the accounts of others	26,502	(53,405)
Proceeds from notes	-	10,207,996
Repayment of debt	(24,298)	(10,306,184)
Net cash provided by (used in) financing activities	<u>2,204</u>	<u>(151,593)</u>
<b>Net increase (decrease) in cash</b>	<u>(6,657,081)</u>	<u>2,501,005</u>
<b>Cash</b>		
Beginning of year	<u>9,791,686</u>	<u>7,290,681</u>
End of year	<u>\$ 3,134,605</u>	<u>\$ 9,791,686</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid during the year for interest expense	<u>\$ 4,278</u>	<u>\$ 338,210</u>
<b>Non-Cash Transactions</b>		
Contributed goods and services	<u>\$ 561,707</u>	<u>\$ 1,007,316</u>
Divestiture of Second Harvest's non-cash assets and liabilities (Note 1)	<u>\$ 12,815,195</u>	<u>\$ -</u>

See notes to consolidated financial statements

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**1. Organization and Significant Accounting Policies**

Catholic Charities Archdiocese of New Orleans (the "Agency"), a not-for-profit charitable organization of the Roman Catholic Church of the Archdiocese of New Orleans (the "Archdiocese"), operates health and community-based programs and provides administrative support and financial management services to separately operated charitable programs which it sponsors. The accompanying financial statements include the accounts of all charitable programs which it operates or sponsors.

The Agency has the ownership of PHILMAT, Inc., PACE Greater New Orleans, and Community Staffing Services as follows:

- PHILMAT, Inc. ("PHILMAT") was organized to provide health and community services to individuals within Louisiana. PHILMAT acts as local agent for the commodity supplemental food and warehouse program, Food for Families/Food for Seniors. Under this program, food provided by the United States Department of Agriculture (U S D A) is distributed by PHILMAT to eligible women, infants, children, and senior citizens, who are classified as low income and vulnerable to malnutrition.
- PACE Greater New Orleans ("PACE") is the corporate title for the Program for All-inclusive Care for the Elderly, a national model of healthcare for seniors. PACE was organized to provide community services such as medical treatment, social services, meals, activities, and transportation, allowing seniors to spend their final years at home rather than in a nursing home.
- Community Staffing Services is an alternative staffing organization that provides workers for companies in the Greater New Orleans Area and supports those workers before, during and after the placement through various programs of the Agency and its Subsidiaries. Community Staffing Services stands ready to provide skilled and unskilled workers to businesses in need of temporary and/or temporary-to-permanent staff. Activity for Community Staffing Services is included as part of Catholic Charities in the consolidating statements.
- During fiscal year 2011, Second Harvest Food Bank of Greater New Orleans and Acadiana ("Second Harvest") was owned by the Agency. Its function is to help relieve the problem of hunger in Louisiana through the distribution of food and related products to qualified charitable institutions. Effective July 1, 2011, Second Harvest was no longer an entity owned by the Agency. On July 29, 2011, Second Harvest's Articles of Incorporation were amended to change the sole member of the corporation from the Agency to the Archbishop or Administrator of the Archdiocese of New Orleans. The following page further describes the impact of this transaction.

The financial statements of each of these subsidiaries are included in the consolidated financial statements. All significant inter-organizational accounts and transactions have been eliminated.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**1. Organization and Significant Accounting Policies (continued)**

**Divestiture of Second Harvest**

As previously described, effective July 1, 2011, Second Harvest was no longer an entity owned by the Agency. The result of the divestiture of Second Harvest as reflected in the Agency's 2012 consolidated statement of financial position is as follows:

	<u>Amounts as of</u> <u>June 30, 2011</u>	<u>Impact of</u> <u>Divestiture</u>	<u>Amounts as of</u> <u>July 1, 2011</u>
Cash	\$9,791,686	\$(2,842,415)	\$ 6,949,271
Program accounts receivable	5,912,597	(202,005)	5,710,592
Contributions receivable			
Pledges	1,214,799	(821,442)	393,357
United Way	1,154,286	(207,277)	947,009
Other receivables	215,286	(41,170)	174,116
Prepaid expenses and deferred charges	499,455	(115,852)	383,603
Investments	12,145,192	(2,819,757)	9,325,435
Property and equipment - net	27,578,300	(10,363,768)	17,214,532
Undistributed food on hand	4,315,926	(4,315,926)	-
	<u>\$ 62,827,527</u>	<u>\$ (21,729,612)</u>	<u>\$ 41,097,915</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$4,196,908	\$(1,010,125)	\$ 3,186,783
Deferred revenue	311	-	311
Unemployment accrual	53,904	(10,612)	43,292
Accrual for uninsured claims	2,625,000	-	2,625,000
Loans payable	5,092,016	(5,051,265)	40,751
Funds held for others	228,966	-	228,966
Total liabilities	<u>12,197,105</u>	<u>(6,072,002)</u>	<u>6,125,103</u>
<b>Net assets</b>			
Unrestricted	35,603,985	(13,511,008)	22,092,977
Temporarily restricted	12,667,354	(937,321)	11,730,033
Permanently restricted	2,359,083	(1,209,281)	1,149,802
Total net assets	<u>50,630,422</u>	<u>(15,657,610)</u>	<u>34,972,812</u>
Total liabilities and net assets	<u>\$ 62,827,527</u>	<u>\$ (21,729,612)</u>	<u>\$ 41,097,915</u>

In addition, the Agency reflected in its consolidated statement of activities for the year ended June 30, 2012 a reduction of \$15,657,610 in net assets as of the beginning of the year.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**1. Organization and Significant Accounting Policies (continued)**

**Income Taxes**

The Agency and Subsidiaries are nonprofit corporations organized under the laws of the State of Louisiana. They are exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, and qualify as organizations that are not private foundations as defined in Section 509(a) of the code

Generally accepted accounting principles require an organization to account for uncertainties in income taxes. The interpretation requires recognition and measurement of uncertain income tax positions using a "more-likely-than-not" approach. The Agency and Subsidiaries' tax returns for the years ended June 30, 2011, 2010 and 2009, remain open and subject to examination by taxing authorities. The Agency and Subsidiaries' 2012 tax returns have not been filed as of the report date.

**Basis of Accounting**

The consolidated financial statements of the Agency and Subsidiaries are prepared on the accrual basis of accounting.

**Net Assets**

Generally accepted accounting principles require reporting of information regarding financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets, based on donor stipulations and restrictions placed on contributions, if any. Accordingly, net assets and changes therein are classified and reported as follows:

- Unrestricted net assets - Contracts for services, contributions, and other revenues and expenditures of funds for the general operation of its programs
- Temporarily restricted net assets - Contributions and other revenues specifically authorized by the donor or grantor to be used for specific purposes or to benefit specific accounting periods
- Permanently restricted net assets - Contributions with donor-imposed restrictions that stipulate that resources be maintained permanently, but permits the use of all or part of the income derived

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue, income and expenses during the reporting period. Actual results could differ from those estimates.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**1. Organization and Significant Accounting Policies (continued)**

**Contributions**

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. The value of contributed goods and services has been recorded as support and revenue and expense in the period received, provided there is an objective basis for measurement of the value of such goods and services and they are significant and form an integral part of the efforts of the program.

**Contributions Receivable**

Contributions are recognized when the donor makes a promise to give to the Agency and Subsidiaries that is in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value based on available market quotes in the consolidated statements of financial position and as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or law. Unrealized gains that are restricted by donors are reported as increases in temporarily restricted net assets. Unrealized gains absent restriction and unrealized losses are reported as increases and decreases in unrestricted net assets.

Interest earned on donor-restricted investments is reported based on the existence or absence of donor-imposed restrictions. The Agency's endowments provide for a certain percentage of current year earnings to be returned to the endowment for perpetual investment. The return of these earnings is reported as increases in permanently restricted net assets. The remaining earnings are recorded as increases in unrestricted net assets and are available to the Agency for distribution in accordance with the endowment agreement or may be returned to the endowment by the Agency for perpetual investment. Realized gains and losses, and declines in value judged to be other than temporary, are included in net appreciation (depreciation) of investments. Realized gains and losses on the sales of securities are determined using the specific-identification method. A decline in the fair value of investments below cost that is deemed to be other than temporary results in a charge to change in net assets and the establishment of a new cost basis for the investment.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**1. Organization and Significant Accounting Policies (continued)**

**Program Accounts Receivable**

Program accounts receivable represent billings which are based primarily on cost reimbursement or unit cost contracts with various governmental agencies. Program accounts receivable are stated at the amount management expects to collect from outstanding balances. Management considered subsequent collection results and wrote off all year-end balances that were deemed to be not collectible. Accordingly, a valuation allowance was determined to be unnecessary.

**Funds Held for Others**

The Agency and Subsidiaries receive funds that are passed through to other third-parties. These amounts are held until requested by and reimbursed to the third-party.

**Undistributed Food on Hand**

Second Harvest's inventory is comprised of donated food and grocery product, U.S.D.A. commodities and purchased food and grocery products. Donated food and U.S.D.A. commodities inventory including food received, distributed and undistributed, is valued using the estimated fair value as determined by the Feeding America Product Valuation Survey prepared by KPMG, LLP on an annual basis. The report provides the average wholesale value of products donated to the network and is considered to be a reasonable basis upon which to estimate these amounts. The average wholesale value used for the year ended June 30, 2011 was \$1.66 per pound.

U.S.D.A. commodities are valued based on U.S.D.A. regulations. On February 18, 2010, the U.S.D.A. issued a policy memorandum providing updated guidance on assigning value to U.S.D.A. product. The memorandum allowed for the use of fair market value (FMV), U.S.D.A. purchase price, estimated cost-per-pound data provided by U.S.D.A., or U.S.D.A. commodity file cost as of a date specified by the distributing agency. The U.S.D.A. document references a food bank's FMV valuation as an acceptable valuation.

Purchased food inventory is recorded at cost.

**Property and Equipment**

Property and equipment are carried at cost or, when acquired by donation or gift, at appraised values with subsequent additions at cost. The Agency and Subsidiaries' policy is to capitalize expenditures for these items in excess of \$2,000. Lesser amounts are expensed. Depreciation is provided using the straight-line basis over the estimated useful lives of the depreciable assets. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the improvements.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**1. Organization and Significant Accounting Policies (continued)**

The estimated useful lives used in determining depreciation and amortization follow:

<u>Classification</u>	<u>Lives in Years</u>
Buildings and improvements	20 - 60
Leasehold improvements	10 - 40
Equipment	5
Vehicle	3 - 5

**Donated Facilities and Services**

Donations of facilities are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Support arising from donated services is recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, provided by individuals possessing these skills, and would typically need to be purchased if not provided by donation.

During the years ended June 30, 2012 and 2011, the Agency and Subsidiaries recognized approximately \$562,000 and \$663,000, respectively, of donated facilities and services which are reflected in the consolidated statement of activities in the respective functional expenses categories. The Agency and Subsidiaries received other donated services in its various programs during the years ended June 30, 2012 and 2011. These services provided do not meet either criteria described above and are not reflected in the consolidated statement of activities.

**Cash and Cash Equivalents**

For the purposes of the statements of cash flows, cash and cash equivalents include bank deposits. The Agency and Subsidiaries' money market accounts are included in investments.

**Functional Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.



**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**2. Contributions Receivable**

Contributions and private grants receivable are included in the consolidated financial statements as contributions receivable and revenue of the appropriate net asset category. The effective interest rate used to discount the long-term contributions receivable is 4.73%. Contributions receivable as of June 30, 2012 are expected to be collected within one year.

In less than one year	\$ 5,226,839
Less unamortized discount	(9,033)
Total	<u>\$ 5,217,806</u>

On August 22, 2011 the Agency was awarded a \$15,000,000 grant from the Baton Rouge Area Foundation to assist the Agency in the Spirit of Hope Collaborative Project. Spirit of Hope was formed after the April 20, 2010 Deepwater Horizon explosion in the Gulf of Mexico to assist those affected by the oil spill. The private grant receivable related to this outreach effort was \$5,000,000 as of June 30, 2012. As of the date of this report, the Agency has collected this balance. As of June 30, 2012, the balance of temporarily restricted net assets related to these funds was \$7.2 million. See Oil Spill relief in Note 8.

**3. Investments**

Investments of the various agencies of the Archdiocese have been pooled to maximize the return on the investments. Investments in the common investment pool consist primarily of debt and equity securities and mutual fund investments. The amounts recorded in the consolidated statement of financial position represent the Agency and Subsidiaries' share of the pool. The following summarizes the market value and the investment return for the years ended June 30.

	<u>2012</u>	<u>2011</u>
Balances at June 30	<u>\$ 9,355,028</u>	<u>\$ 12,145,192</u>
For the year ended June 30,		
Unrealized gain (loss) on investments	\$ (170,984)	\$ 1,903,592
Realized gain (loss) for the year	10,028	(32,920)
	(160,956)	1,870,672
Interest and dividend income	305,226	413,275
	<u>\$ 144,270</u>	<u>\$ 2,283,947</u>

The unrestricted and restricted value of investments at June 30, 2012 is \$8,101,006 and \$1,254,022, respectively. The unrestricted and restricted value of investments at June 30, 2011, is \$9,281,401 and \$2,863,791 respectively.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**4. Fair Value of Financial Instruments**

FASB ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value. Fair value concepts are applied in recording investments.

FASB ASC 820 establishes a fair value hierarchy which prioritizes inputs to valuation techniques used to measure fair value. The term "inputs" refers broadly to the assumptions that market participants would use in pricing an asset or liability. Inputs may be based on independent market data ("observable inputs") or they may be internally developed ("unobservable inputs"). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad categories. These levels include Level 1, unadjusted quoted prices in active markets for identical assets or liabilities; Level 2, directly or indirectly observable inputs other than quoted prices for the asset or liability, such as the quoted market prices for similar assets or liabilities; and Level 3, unobservable inputs for use when little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of the unobservable inputs.

Investments of the Agency and Subsidiaries are held in pooled assets managed by the Archdiocese. The values of the Agency and Subsidiaries' investments in this pool are based on information provided by the Archdiocese. These investments are classified within Level 2 of the fair value hierarchy. There have been no changes in the methodology used as of June 30, 2012 and 2011.

The method described above may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Agency believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**5. Endowments**

The Board of the Agency and Subsidiaries is of the belief that they have a strong fiduciary duty to manage the assets of the Agency and Subsidiaries' endowments in the most prudent manner possible. The Board recognizes the intent of the endowment is to protect the donor with respect to expenditures from endowments. If this intent is clearly expressed by the donor, whether the intent is in a written gift instrument or not, the intent of the donor is followed. If not expressed, the Board ensures the assets of the endowment are spent in a prudent manner which considers the purpose of the fund, current economic conditions, and preservation of the fund. To follow these principles, the historic value of the fund is always maintained in permanently restricted net assets.

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**NEW ORLEANS, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**5. Endowments (continued)**

Distributions are paid only from annual earnings. If an annual income distribution does not occur, earnings are added to principal for growth.

*Endowment Investment and Spending Policies* Agency and Subsidiaries have adopted investment and spending policies, approved by the Board, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The endowment's assets are invested in the Archdiocese of New Orleans' investment pool, as previously described. Agency and Subsidiaries' spending and investment policies work together to achieve this objective. Spending is approved by the Board, based on the needs of Agency and Subsidiaries.

The table below represents the endowment related activity for the fiscal year ending June 30, 2012.

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 437,970	\$ 2,359,083	\$ 2,797,053
Contributions	-	3,000	3,000
Net realized and unrealized gains/losses	-	8,586	8,586
Program expenses	(54,667)	-	(54,667)
Transfer	54,667	(54,667)	-
Divestiture of Second Harvest (See Note 1)	(437,970)	(1,209,281)	(1,647,251)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 1,106,721</u>	<u>\$ 1,106,721</u>

The table below represents the endowment related activity for the fiscal year ending June 30, 2011.

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 368,919	\$ 2,052,387	\$ 2,421,306
Contributions	-	5,000	5,000
Net realized and unrealized gains/losses	69,051	418,282	487,333
Program expenses	(116,586)	-	(116,586)
Transfer	116,586	(116,586)	-
Endowment net assets, end of year	<u>\$ 437,970</u>	<u>\$ 2,359,083</u>	<u>\$ 2,797,053</u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**6. Property and Equipment**

A summary of property and equipment at June 30 is as follows

	<u>2012</u>	<u>2011</u>
Buildings and improvements	\$ 17,977,309	\$ 24,451,241
Leasehold improvements	5,881,056	6,333,570
Equipment	3,784,301	4,915,119
Vehicles	3,695,923	4,780,614
Construction in progress	1,065,804	1,592,107
Land	865,005	2,796,523
	<u>33,269,398</u>	<u>44,869,174</u>
Less accumulated depreciation and amortization	16,667,800	17,290,874
Total property and equipment, net	<u>\$ 16,601,598</u>	<u>\$ 27,578,300</u>

As indicated in Note 1, property and equipment net of accumulated depreciation amounting to \$10,363,768 was transferred to Second Harvest in connection with the divestiture on July 1, 2011.

**7. Loans Payable**

Loans payable at June 30 are summarized as follows

	<u>2012</u>	<u>2011</u>
Mortgage notes payable in monthly installments approximating \$2,750, including interest at an annually adjustable rate (ranging from 2.909% to 7.86%), final installments due between December 2013 and July 2015, collateralized by real estate with a book value approximating in excess of the loan payable at June 30, 2012 and 2011	\$ 16,453	\$ 40,751
Mortgage loan agreement payable in monthly installments of \$31,703, including interest at a rate of 4.22% beginning March 2011 through January 2016 with remaining principal and interest due February 2016, collateralized by land and building improvements. Loan included in transfer of Second Harvest (See Note 1)	-	5,051,265
	<u>\$ 16,453</u>	<u>\$ 5,092,016</u>

On December 30, 2009, Second Harvest entered into an agreement to exchange property. The property assumed by Second Harvest includes a warehouse and land. As part of the agreement, Second Harvest assumed a mortgage payable secured by the land and building in the amount of \$5,163,947, with a variable rate. Second Harvest acquired property valued at approximately \$7.0 million with a related mortgage payable of approximately \$5.2 million in exchange for property with a net book value of approximately \$1.3 million, resulting in a gain of \$530,071, which was recognized in the statements of activities. The debt matured on January 5, 2011.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES**  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**7. Loans Payable (continued)**

On January 5, 2011, Second Harvest signed a promissory note with the Archdiocese to borrow \$5,107,996 at a rate of 4 2%. The proceeds were used to pay off the mortgage described above. The note was repaid on January 21, 2011 with proceeds of a mortgage loan as described in the table above.

On January 21, 2011, Second Harvest entered into a mortgage loan agreement with original principal of \$5,100,000. The loan is payable in monthly principal and interest amounts of \$31,703 at an interest rate of 4.22% beginning March 2011 through January 2016 with all remaining principal and interest due February 2016. The loan is collateralized by land and building and improvements. The loan balance at June 30, 2011 was \$5,051,265. As of July 1, 2011, this loan and related land and building improvements were transferred out of the Agency and Subsidiaries as described in Notes 1 and 20.

Annual principal payments on loans payable at June 30, 2012 are as follows. \$11,208 due in 2013 and \$5,245 due in 2012.

No interest was capitalized in 2012 or 2011.

**8. Restrictions on Net Assets**

Temporarily restricted net assets are restricted by donors for specific programs, purposes, or to assist specific departments of the Agency and Subsidiaries. These restrictions are considered to expire when expenditures for restricted purposes are made.

The following sets forth the composition of temporarily restricted net assets at June 30.

	<u>2012</u>	<u>2011</u>
Hurricane relief	\$ 515,859	\$ 1,902,359
Relief services to children	564,132	555,377
Operations of Shirley Landry Benson PACE Center	254,012	454,012
Purchases of capital assets	777,768	787,768
United Way allocation for subsequent fiscal year	715,596	1,006,387
Oil Spill relief	8,945,703	4,289,674
Other restrictions	<u>2,143,785</u>	<u>3,671,777</u>
Totals	<u>\$ 13,916,855</u>	<u>\$ 12,667,354</u>

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**8. Restrictions on Net Assets (continued)**

The following temporarily restricted net assets were released during the years ended June 30, due to satisfaction of donor restrictions:

	<u>2012</u>	<u>2011</u>
Hurricane relief	\$ 1,386,500	\$ 5,481,284
Relief services to children	-	1,094,250
Operations of Shirley		
Landry Benson PACE Center	217,658	243,674
Purchases of capital assets	10,000	1,134,760
United Way allocation for subsequent fiscal year	929,387	1,126,028
Oil Spill relief	10,416,534	2,515,879
Other restrictions	1,594,850	2,005,965
Totals	<u>\$ 14,554,929</u>	<u>\$ 13,601,840</u>

Permanently restricted net assets consist of endowment fund assets to be held indefinitely. The composition of permanently restricted net assets at June 30 is as follows:

	<u>2012</u>	<u>2011</u>
Endowment fund - Second Harvest	\$ -	\$ 1,209,281
Endowment fund - Catholic Charities - Gift of Life	1,106,721	1,149,802
Totals	<u>\$ 1,106,721</u>	<u>\$ 2,359,083</u>

**9. Retirement Plans**

The Agency and Subsidiaries offer a 401(k) defined contribution plan to its employees. Employees electing to participate in the plan are required to contribute a minimum of 3% of their salaries, and may elect to contribute up to a 16% maximum. The plan requires the Agency and Subsidiaries to contribute an amount equal to 3.5% of the participants' salaries. The plan expense also includes an additional 2.0% contribution by the Agency and Subsidiaries to cover costs for life insurance and disability insurance for the employees. Any remaining funds from the 2.0% contribution may be used as a discretionary employer contribution to the plan. The plan administrator is the Archdiocese. The Agency and Subsidiaries contributed approximately \$775,000 and \$848,000, for the years ended June 30, 2012 and 2011, respectively.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**10. Expenses by Program**

Details of total expenses by program for the years ended June 30 are as follows

	<b><u>2012</u></b>	<b><u>2011</u></b>
Adult Day Health Care	\$ 1,353,990	\$ 1,310,874
Community Centers and Services	17,160,677	15,181,482
Food For Families	5,365,075	4,932,105
Head Start	4,818,486	4,654,686
Non-Residential Day Programs	7,941,171	6,862,645
PACE	10,707,012	9,794,268
Padua Pediatrics and Adult	4,140,671	4,606,688
Residential Special Needs	4,105,085	4,937,777
Second Harvest	-	53,037,324
Totals	<b><u>\$ 55,592,167</u></b>	<b><u>\$ 105,317,849</u></b>

**11. Related Party Transactions**

The controlling member of the Agency, the Archbishop of New Orleans, also serves as president of the Roman Catholic Church of the Archdiocese of New Orleans and the controlling member of all other corporations, board of trustees and separate activities sponsored by, or operated under the auspices of the Archdiocese of New Orleans. In the normal course of operations, the Archdiocese will make available to the Agency and its affiliated agencies specific assistance in the form of operating subsidies, loans, casualty insurance, etc. The Agency paid the Archdiocese for general liability, property coverage, workmen's compensation, vehicle and other insurance, secured on its behalf of \$1,071,000 and \$1,151,000 for the years ended June 30, 2012 and 2011, respectively. The Agency paid the Archdiocese for rent and other operating costs totaling \$878,000 and \$620,000 for the years ended June 30, 2012 and 2011, respectively. In addition, the Agency received reimbursements from the Archdiocese of \$59,500 for costs related to an employee for the year ended June 30, 2012.

The Agency was a Class B member of Providence Community Housing. A former Co-President of the Agency served as the President and Chief Executive Officer, in a voluntary role, of Providence Community Housing. The former Co-President was employed by the Agency through March 10, 2011. The Agency received funding from Providence Community Housing to support a community center. The amount of the funding was approximately \$529,000 and \$251,000 for the years ended June 30, 2012 and 2011, respectively.

The Agency has a line of credit with the Archdiocese for \$5.0 million at 4.1% and 4.2% annual interest for the years ended June 30, 2012 and 2011, respectively. No amounts were outstanding as of June 30, 2012 or 2011.

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**NEW ORLEANS, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**11. Related Party Transactions (continued)**

As described in Note 7, on January 5, 2011, Second Harvest signed a promissory note with the Archdiocese to borrow \$5,107,996 at a rate of 4 2% The proceeds were used to pay off a mortgage loan. The promissory note, including interest of \$9,404, was repaid in full on January 21, 2011 with proceeds of a new mortgage loan.

Other transactions with entities operated under the auspices of the Archdiocese of New Orleans are as follows. The Agency has a signed memorandum of understanding for the period January 15, 2011 through January 14, 2013 with The Mental Health Association Development Corporation and Christopher Homes, Inc to provide a residential support group living program for group home residents. During the fiscal year ended June 30, 2012, the Agency received \$7,100 from The Mental Health Association Development Corporation under this agreement Also, the Agency has a signed memorandum of understanding beginning April 15, 2012 through April 30, 2013 with Christopher Homes, Inc. and Monsignor Wynhoven Apartments, Inc The agreement allows the Agency to utilize the community kitchen and dining room facilities at Wynhoven to prepare meals for the residents and catering events Under the agreement, the Agency pays a lease rate of \$1 00 per year.

As described in Note 1, the Agency transferred Second Harvest to the Archdiocese effective July 1, 2011.

**12. Leases**

The Agency operates a portion of its community social service programs in leased facilities under operating leases expiring at various dates through the fiscal year 2017 The leases are subject to cancellation under certain circumstances, including substantial changes in funding in the Agency's programs The following is a schedule by year of future minimum rental payments required under those leases and under equipment leases that have initial or remaining lease terms in excess of one year as of June 30

2013	\$ 191,129
2014	146,463
2015	104,768
2016	64,159
2017	18,600
	<u>\$ 525,119</u>

The rental expense for all operating leases for the years ended June 30, 2012 and 2011 approximated \$989,000 and \$1,439,000, respectively.



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**13. Significant Contracts and Grants**

For the years ended June 30, 2012 and 2011, \$21,450,363 and \$19,801,095, respectively, of the Agency and Subsidiaries' governmental financial assistance was from the U.S. Department of Health and Human Services and \$5,507,965 and \$18,109,693, respectively, of the Agency and Subsidiaries' governmental financial assistance was from the U.S. Department of Agriculture. Management believes that the Agency and Subsidiaries are in compliance with the provisions of these contracts and grants and that the findings of an audit, if any, would not have a material impact on the financial statements.

**14. Commitments and Contingencies**

The Agency and Subsidiaries are party to various litigations and other claims, the outcome of which cannot be presently determined. Although management intends to vigorously defend against such litigations and claims, \$1,739,000 and \$2,625,000 at June 30, 2012 and 2011, respectively, has been accrued for all matters. Management's opinion is that the outcome of such matters would not have a significant effect on the Agency and Subsidiaries' financial position in excess of the amounts accrued. Included in the accrual at June 30, 2012 and 2011 is \$1,694,000 and \$2,600,000, respectively, in unrestricted net assets, designated by the Board of Directors of Catholic Charities (the Board) for the replacement of drywall and repairs to homes rebuilt with tainted Chinese drywall following Hurricane Katrina by the Helping Hands program.

The Agency and Subsidiaries are exposed to various risks of loss from torts, theft of, damage to, and destruction of assets, business interruption, errors and omissions, employee injuries and illnesses, natural disasters, and employee health and accident benefits. The Agency is a participant in the Archdiocese self insurance plan. In addition to this coverage, the Agency also purchases commercial insurance coverage as necessary.

**15. Concentrations of Credit Risk**

As of June 30, 2012 and 2011, program accounts receivable consisted primarily of amounts due from governmental sources.

As of June 30, 2012 and 2011, the Agency and Subsidiaries had bank accounts at one financial institution which exceeded the \$250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC) by approximately \$2,621,000 and \$4,732,000, respectively.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**16. PHILMAT Commodity Food Issued (Unaudited)**

PHILMAT receives pass-thru funding from the LDHH to administer and distribute commodity foods issued by the Food For Families/Food For Seniors program. Pass-thru funding received by PHILMAT for their administration and distribution services totaled \$5,043,479 and \$4,800,443, for the years ended June 30, 2012 and 2011, respectively. Statistical information related to commodity foods issued by the Food for Families/Food for Seniors program during the years ended June 30, 2012 and 2011 included dollars of \$18,741,093 and \$18,671,749, respectively, and pounds of 23,802,221 and 23,114,944 respectively. The value of food issued by Food for Families/Food for Seniors is not reflected in the financial statements.

**17. Second Harvest Food and Grocery Products**

Second Harvest undistributed food and grocery products at June 30, 2011 consist of the following:

	<u>Dollars \$</u>	<u>Pounds</u>
Donated and purchased	\$ 3,295,073	1,990,143
U.S.D.A commodities	1,020,853	614,971
	<u>\$ 4,315,926</u>	<u>2,605,114</u>

Second Harvest's receipts and distributions of food and grocery products (cash basis) for the year ended June 30, 2011 were as follows:

	<u>Dollars</u>	<u>Pounds</u>
Receipts		
Donated products	\$ 33,404,837	20,123,396
Purchased product	918,679	630,759
U.S.D.A commodities	<u>12,196,349</u>	<u>7,347,198</u>
Totals	<u>\$ 46,519,865</u>	<u>28,101,353</u>
Distributions, net of adjustments		
Donated products	\$ 31,825,509	19,210,379
Purchased product	917,398	626,733
U.S.D.A commodities	<u>11,764,832</u>	<u>7,100,562</u>
Totals	<u>\$ 44,507,739</u>	<u>26,937,674</u>

As described in Note 1, the Agency transferred Second Harvest to the Archdiocese effective July 1, 2011.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES**  
**NEW ORLEANS, LOUISIANA**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2012 AND 2011**

**18. Board of Directors Compensation**

The members of the Agency's board of directors were not compensated during the years ended June 30, 2012 and 2011

**19. New Orleans Family Justice Center**

On September 29, 2011, the Agency's board of directors approved the recommendation to allow the New Orleans Family Justice Center (NOFJC), a program of the Agency, to become a separate nonprofit entity. The nonprofit entity is named the New Orleans Family Justice Alliance (NOFJA). NOFJA is not a related party of the Agency. Property with a net book value of \$153,953 as of June 30, 2012 acquired for NOFJC was transferred from the Agency to NOFJA. The Agency's contract with the Louisiana Commission on Law Enforcement was transferred to NOFJA including the \$222,565 unspent contract balance on June 30, 2012. An existing grant contract with the Department of Justice for NOFJC could not be transferred to NOFJA, and as a result, the grant will continue to be funded through the Agency to NOFJA until the end of the contract on June 30, 2013.

**20. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 12, 2012, and determined that no events occurred that require disclosure

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES  
NEW ORLEANS, LOUISIANA**

**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION**

	June 30, 2012					June 30, 2011					
	Catholic Charities	PHILMAT	PACE	Eliminations	Totals	Catholic Charities	PHILMAT	PACE	Second Harvest	Eliminations	Totals
<b><u>ASSETS</u></b>											
Cash	\$ 3,269,841	\$ 2,867	\$ 1,242,315	\$ (1,380,418)	\$ 3,134,605	\$ 6,940,559	\$ 23,354	\$ 1,056,029	\$ 2,842,415	\$ (1,070,671)	\$ 9,791,686
Program accounts receivable	4,521,835	912,816	160,786	-	5,595,437	4,859,886	639,855	210,851	202,005	-	5,912,597
Contributions receivable											
Pledges	5,026,839	-	190,967	-	5,217,806	20,047	-	373,310	821,442	-	1,214,799
United Way	733,223	-	-	-	733,223	947,009	-	-	207,277	-	1,154,286
Other receivables	50,871	-	-	-	50,871	143,718	-	30,398	41,170	-	215,286
Prepaid expenses and deferred charges	390,343	7,362	5,691	-	403,396	359,131	7,362	17,110	115,852	-	499,455
Investments	9,355,028	-	-	-	9,355,028	9,325,435	-	-	2,819,757	-	12,145,192
Property and equipment - net	7,382,249	\$ 013,932	4,205,417	-	16,601,598	7,883,991	5,212,194	4,118,347	10,363,768	-	27,578,100
Undistributed food on hand	-	-	-	-	-	-	-	-	4,315,926	-	4,315,926
Due (to) from affiliate	(2,098,508)	(1,961,775)	2,679,865	1,380,418	-	(876,548)	(1,822,681)	1,628,558	-	1,070,671	-
<b>Total assets</b>	<b>\$ 28,631,721</b>	<b>\$ 3,975,202</b>	<b>\$ 8,485,041</b>	<b>\$ -</b>	<b>\$ 41,091,964</b>	<b>\$ 29,603,228</b>	<b>\$ 4,060,084</b>	<b>\$ 7,434,603</b>	<b>\$ 21,729,612</b>	<b>\$ -</b>	<b>\$ 62,827,527</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>											
<b>Liabilities</b>											
Accounts payable and accrued expenses	\$ 1,473,234	\$ 258,334	\$ 1,040,075	\$ -	\$ 2,771,643	\$ 1,935,465	\$ 329,595	\$ 921,723	\$ 1,010,125	\$ -	\$ 4,196,908
Deferred revenue	665	-	327,451	-	328,116	311	-	-	-	-	311
Unemployment accrual	66,168	37,463	6,898	-	110,529	9,717	29,433	4,142	10,612	-	53,904
Accrual for uninsured claims	1,739,273	-	-	-	1,739,273	2,625,000	-	-	-	-	2,625,000
Loans payable	16,453	-	-	-	16,453	40,751	-	-	5,051,265	-	5,092,016
Funds held for others	237,231	15,592	2,645	-	255,468	213,374	15,592	-	-	-	228,966
<b>Total liabilities</b>	<b>3,533,024</b>	<b>311,389</b>	<b>1,377,069</b>	<b>-</b>	<b>5,221,482</b>	<b>4,824,618</b>	<b>374,620</b>	<b>925,865</b>	<b>6,072,002</b>	<b>-</b>	<b>12,197,105</b>
<b>Net assets</b>											
Unrestricted	10,546,586	3,556,364	6,743,956	-	20,846,906	12,548,050	3,600,205	5,944,722	13,511,008	-	35,603,985
Temporarily restricted	13,445,390	107,449	364,016	-	13,916,855	11,080,758	85,259	564,016	937,321	-	12,667,354
Permanently restricted	1,106,721	-	-	-	1,106,721	1,149,802	-	-	1,209,281	-	2,359,083
<b>Total net assets</b>	<b>25,098,697</b>	<b>3,663,813</b>	<b>7,107,972</b>	<b>-</b>	<b>35,870,482</b>	<b>24,778,610</b>	<b>3,685,464</b>	<b>6,508,738</b>	<b>15,657,610</b>	<b>-</b>	<b>50,630,422</b>
<b>Total liabilities and net assets</b>	<b>\$ 28,631,721</b>	<b>\$ 3,975,202</b>	<b>\$ 8,485,041</b>	<b>\$ -</b>	<b>\$ 41,091,964</b>	<b>\$ 29,603,228</b>	<b>\$ 4,060,084</b>	<b>\$ 7,434,603</b>	<b>\$ 21,729,612</b>	<b>\$ -</b>	<b>\$ 62,827,527</b>

See accompanying independent auditors' report.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES  
NEW ORLEANS, LOUISIANA**

**CONSOLIDATING STATEMENT OF ACTIVITIES**

For the year ended June 30 2012

	Catholic Charities				PHILMAT			PACE		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenues</b>										
Public support										
Contributions	\$ 3,444,888	\$ 15,947,200	\$ 3,000	\$ 19,395,088	\$ 432,812	\$ -	\$ 432,812	\$ 74,359	\$ 27,658	\$ 102,017
Contributed goods and services	561,707	-	-	561,707	-	-	-	-	-	-
United Way										
Southeast Louisiana										
Allocations	41	421,932	-	421,973	-	-	-	-	-	-
Designations	199,917	-	-	199,917	10,000	-	10,000	-	-	-
Combined Federal Campaign	26,474	-	-	26,474	-	-	-	-	-	-
St. Charles Parish										
Allocations	-	293,664	-	293,664	-	-	-	-	-	-
St. John Parish										
Allocations	56,825	-	-	56,825	-	-	-	-	-	-
Special events (net of direct costs)	227,278	-	-	227,278	-	-	-	-	-	-
Total public support	4,517,130	16,662,796	3,000	21,182,926	442,812	-	442,812	74,359	27,658	102,017
Governmental financial assistance										
Federal	14,747,776	1,508	-	14,749,284	5,200,609	-	5,200,609	11,143,047	-	11,143,047
Other governmental agencies	1,123,521	-	-	1,123,521	65,107	-	65,107	-	-	-
Total governmental financial assistance	15,871,297	1,508	-	15,872,805	5,265,716	-	5,265,716	11,143,047	-	11,143,047
Other Revenue										
Program service fees	2,172,380	-	-	2,172,380	9,626	-	9,626	49,188	-	49,188
Rent	11,983	-	-	11,983	2,475	-	2,475	-	-	-
Miscellaneous	249,074	-	-	249,074	5,469	-	5,469	90	-	90
Loss on disposition of property	(202,243)	-	-	(202,243)	-	-	-	-	-	-
Property recoveries	20,261	-	-	20,261	6,037	-	6,037	11,904	-	11,904
Net assets released from restrictions operations	14,381,938	(14,327,271)	(54,667)	-	-	-	-	227,658	(227,658)	-
Total other revenue	16,633,393	(14,327,271)	(54,667)	2,251,455	23,607	-	23,607	288,840	(227,658)	61,182
Total revenue	37,021,820	2,337,033	(51,667)	39,307,186	5,732,135	-	5,732,135	11,506,246	(200,000)	11,306,246
<b>Expenses</b>										
Program services	36,736,289	-	-	36,736,289	5,445,489	-	5,445,489	10,327,291	-	10,327,291
Management and general	1,397,071	-	-	1,397,071	305,078	-	305,078	375,175	-	375,175
Fundraising	995,918	-	-	995,918	5,310	-	5,310	4,546	-	4,546
Total expenses	39,129,278	-	-	39,129,278	5,755,877	-	5,755,877	10,707,012	-	10,707,012
Change in net assets before investment activity	(2,107,458)	2,337,033	(51,667)	177,908	(23,742)	-	(23,742)	799,234	(200,000)	599,234
Investment income	83,804	49,789	8,586	142,179	2,091	-	2,091	-	-	-
Change in net assets	(2,023,654)	2,386,822	(43,081)	320,087	(21,651)	-	(21,651)	799,234	(200,000)	599,234
<b>Net assets</b>										
Beginning of year	12,548,050	11,080,758	1,149,802	24,778,610	3,600,205	85,259	3,685,464	5,944,722	564,016	6,508,738
Divestiture of Second Harvest (Note 1)	-	-	-	-	-	-	-	-	-	-
Interprogram transfers	22,190	(22,190)	-	-	(22,190)	22,190	-	-	-	-
End of year	\$ 10,546,586	\$ 13,445,390	\$ 1,106,721	\$ 25,098,697	\$ 3,556,364	\$ 107,449	\$ 3,663,813	\$ 6,743,956	\$ 364,016	\$ 7,107,972

(continued)

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES  
NEW ORLEANS, LOUISIANA**

**CONSOLIDATING STATEMENT OF ACTIVITIES, CONTINUED**

For the year ended June 30, 2012

	Second Harvest				Totals			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues</b>								
Public support:								
Contributions	\$ -	\$ -	\$ -	\$ -	\$ 3,952,059	\$ 15,974,858	\$ 3,000	\$ 19,929,917
Contributed goods and services	-	-	-	-	561,707	-	-	561,707
United Way								
Southeast Louisiana:								
Allocations	-	-	-	-	41	421,932	-	421,973
Designations	-	-	-	-	209,917	-	-	209,917
Combined Federal Campaign	-	-	-	-	26,474	-	-	26,474
St. Charles Parish								
Allocations	-	-	-	-	-	293,664	-	293,664
St. John Parish								
Allocations	-	-	-	-	56,825	-	-	56,825
Special events (net of direct costs)	-	-	-	-	227,278	-	-	227,278
Total public support	-	-	-	-	5,034,301	16,690,454	3,000	21,727,755
Governmental financial assistance								
Federal	-	-	-	-	31,091,432	1,508	-	31,092,940
Other governmental agencies	-	-	-	-	1,188,628	-	-	1,188,628
Total governmental financial assistance	-	-	-	-	32,280,060	1,508	-	32,281,568
Other Revenue								
Program service fees	-	-	-	-	2,231,194	-	-	2,231,194
Rent	-	-	-	-	14,458	-	-	14,458
Miscellaneous	-	-	-	-	254,633	-	-	254,633
Loss on disposition of property	-	-	-	-	(202,243)	-	-	(202,243)
Property recoveries	-	-	-	-	38,202	-	-	38,202
Net assets released from restrictions - operations	-	-	-	-	14,609,596	(14,554,929)	(54,667)	-
Total other revenue	-	-	-	-	16,945,840	(14,554,929)	(54,667)	2,336,244
Total revenue	-	-	-	-	54,260,201	2,137,033	(51,667)	56,345,567
<b>Expenses</b>								
Program services	-	-	-	-	52,509,069	-	-	52,509,069
Management and general	-	-	-	-	2,077,324	-	-	2,077,324
Fundraising	-	-	-	-	1,005,774	-	-	1,005,774
Total expenses	-	-	-	-	55,592,167	-	-	55,592,167
Change in net assets before investment activity	-	-	-	-	(1,331,966)	2,137,033	(51,667)	753,400
Investment income	-	-	-	-	85,895	49,789	8,586	144,270
Change in net assets	-	-	-	-	(1,246,071)	2,186,822	(43,081)	897,670
<b>Net assets</b>								
Beginning of year	13,511,008	937,321	1,209,281	15,657,610	35,603,985	12,667,354	2,359,083	50,630,422
Divestiture of Second Harvest (Note 1)	(13,511,008)	(937,321)	(1,209,281)	(15,657,610)	(13,511,008)	(937,321)	(1,209,281)	(15,657,610)
Interprogram transfers	-	-	-	-	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -	\$ 20,846,906	\$ 13,916,855	\$ 1,106,721	\$ 35,870,482

See accompanying independent auditors' report

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES  
NEW ORLEANS, LOUISIANA**

**CONSOLIDATING STATEMENT OF ACTIVITIES**

For the year ended June 30, 2011

	Catholic Charities				PHILMAT			PACE		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenues</b>										
Public support:										
Contributions	\$ 2,247,036	\$ 7,940,311	\$ 5,000	\$ 10,192,347	\$ 107,545	\$ -	\$ 107,545	\$ 167,126	\$10,000	\$ 177,126
Contributions - undesignated	2,043,399	-	-	2,043,399	197,059	-	197,059	43,681	-	43,681
Contributed goods and services	498,628	-	-	498,628	-	-	-	-	-	-
United Way										
Southeast Louisiana:										
Allocations	-	657,686	-	657,686	-	-	-	-	-	-
Designations	131,481	-	-	131,481	15,833	-	15,833	1,742	-	1,742
Combined Federal Campaign	23,625	-	-	23,625	4,591	-	4,591	505	-	505
St. Charles Parish:										
Allocations	5,600	271,700	-	277,300	-	-	-	-	-	-
St. John Parish:										
Allocations	81,250	-	-	81,250	-	-	-	-	-	-
Acadiana:										
Allocations	-	-	-	-	-	-	-	-	-	-
Special events (net of direct costs)	108,073	-	-	108,073	-	-	-	-	-	-
Total public support	5,139,292	8,869,697	5,000	14,013,989	525,028	-	525,028	213,054	10,000	223,054
Governmental financial assistance										
Federal	16,976,767	15,972	-	16,992,739	5,165,686	-	5,165,686	9,875,101	-	9,875,101
Other governmental agencies	1,986,809	-	-	1,986,809	129,826	-	129,826	-	-	-
Total governmental financial assistance	18,963,576	15,972	-	18,979,548	5,295,512	-	5,295,512	9,875,101	-	9,875,101
Other Revenue:										
Program service fees	2,700,443	-	-	2,700,443	12,811	-	12,811	74,242	-	74,242
Rent	2,000	-	-	2,000	4,550	-	4,550	1,300	-	1,300
Miscellaneous	253,095	-	-	253,095	6,962	-	6,962	426	-	426
Loss on disposition of property	(97,317)	-	-	(97,317)	-	-	-	(6,149)	-	(6,149)
Property recoveries	26,800	-	-	26,800	172,792	-	172,792	36,622	-	36,622
Net assets released from restrictions - operations	10,673,981	(10,557,395)	(116,586)	2,885,021	116,990	(116,990)	-	243,674	(243,674)	-
Total other revenue	13,559,002	(10,557,395)	(116,586)	2,885,021	314,103	(116,990)	197,113	350,115	(243,674)	106,441
Total revenue	37,661,670	(1,671,726)	(111,586)	35,878,358	6,134,643	(116,990)	6,017,653	10,438,270	(233,674)	10,204,596
<b>Expenses</b>										
Program services	34,498,251	-	-	34,498,251	5,468,675	-	5,468,675	9,472,690	-	9,472,690
Management and general	1,465,690	-	-	1,465,690	302,795	-	302,795	277,219	-	277,219
Fundraising	723,913	-	-	723,913	26,933	-	26,933	44,339	-	44,339
Total expenses	36,687,854	-	-	36,687,854	5,798,403	-	5,798,403	9,794,268	-	9,794,268
Change in net assets before investment activity	973,816	(1,671,726)	(111,586)	(809,496)	336,242	(116,990)	219,252	644,002	(233,674)	410,328
Investment income	988,636	295,032	209,001	1,492,669	275,236	-	275,236	-	-	-
Change in net assets	1,962,452	(1,376,694)	97,415	683,173	611,478	(116,990)	494,488	644,002	(233,674)	410,328
<b>Net assets</b>										
Beginning of year	10,585,598	12,457,452	1,052,387	24,095,437	2,988,727	202,249	3,190,976	5,300,720	797,690	6,098,410
End of year	\$ 12,548,050	\$ 11,080,758	\$ 1,149,802	\$ 24,778,610	\$ 3,600,205	\$ 85,259	\$ 3,685,464	\$ 5,944,722	\$ 564,016	\$ 6,508,738

(continued)

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES  
NEW ORLEANS, LOUISIANA**

**CONSOLIDATING STATEMENT OF ACTIVITIES, CONTINUED**

For the year ended June 30, 2011

	Second Harvest				Totals			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues</b>								
Public support								
Contributions	\$ 4,536,129	\$598,035	\$ -	\$ 5,134,164	\$ 7,057,836	\$ 8,548,346	\$ 5,000	\$ 15,611,182
Contributions - undesignated	-	-	-	-	2,484,139	-	-	2,484,139
Contributed goods and services	33,913,525	-	-	33,913,525	34,412,153	-	-	34,412,153
United Way								
Southeast Louisiana								
Allocations	-	98,603	-	98,603	-	756,289	-	756,289
Designations	53,751	-	-	53,751	202,807	-	-	202,807
Combined Federal Campaign	41,702	-	-	41,702	70,423	-	-	70,423
St. Charles Parish								
Allocations	-	100,650	-	100,650	5,600	372,330	-	377,930
St. John Parish								
Allocations	-	-	-	-	81,250	-	-	81,250
Acadiana								
Allocations	32,357	-	-	32,357	32,357	-	-	32,357
Special events (net of direct costs)	183,326	-	-	183,326	291,399	-	-	291,399
Total public support	38,760,790	797,288	-	39,558,078	44,637,964	9,676,985	5,000	54,319,949
Governmental financial assistance								
Federal	13,109,036	-	-	13,109,036	45,126,590	15,972	-	45,142,562
Other governmental agencies	1,278,373	-	-	1,278,373	3,395,008	-	-	3,395,008
Total governmental financial assistance	14,387,409	-	-	14,387,409	48,521,598	15,972	-	48,537,570
Other Revenue								
Program service fees	179,310	-	-	179,310	2,966,806	-	-	2,966,806
Rent	394,950	-	-	394,950	402,800	-	-	402,800
Miscellaneous	424,404	-	-	424,404	684,887	-	-	684,887
Loss on disposition of property	-	-	-	-	(103,466)	-	-	(103,466)
Property recoveries	-	-	-	-	236,214	-	-	236,214
Net assets released from restrictions - operations	2,683,781	(2,683,781)	-	-	13,718,426	(13,601,840)	(116,586)	-
Total other revenue	3,682,445	(2,683,781)	-	998,664	17,905,667	(13,601,840)	(116,586)	4,187,241
<b>Total revenue</b>	<b>56,830,644</b>	<b>(1,886,493)</b>	<b>-</b>	<b>54,944,151</b>	<b>111,065,229</b>	<b>(3,908,883)</b>	<b>(111,586)</b>	<b>107,044,760</b>
<b>Expenses</b>								
Program services	50,218,371	-	-	50,218,371	99,657,987	-	-	99,657,987
Management and general	1,171,050	-	-	1,171,050	3,216,754	-	-	3,216,754
Fundraising	1,647,903	-	-	1,647,903	2,443,108	-	-	2,443,108
Total expenses	53,037,324	-	-	53,037,324	105,317,849	-	-	105,317,849
Change in net assets before investment activity	3,793,320	(1,886,493)	-	1,906,827	5,747,380	(3,908,883)	(111,586)	1,726,911
Investment income	306,761	-	209,281	516,042	1,570,633	295,032	418,282	2,283,947
Change in net assets	4,100,081	(1,886,493)	209,281	2,422,869	7,318,013	(3,613,851)	306,696	4,010,858
<b>Net assets</b>								
Beginning of year	9,410,927	2,823,814	1,000,000	13,234,741	28,285,972	16,281,203	2,052,387	46,619,562
End of year	\$ 13,511,008	\$ 937,321	\$ 1,209,281	\$ 15,657,610	\$ 35,603,985	\$ 12,667,354	\$ 2,359,083	\$ 50,630,422

See accompanying independent auditors' report



**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES**  
**NEW ORLEANS, LOUISIANA**

**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**

For the year ended June 30, 2012  
(with comparative totals for 2011)

	Catholic Charities				PHILMAT			
	Program Services	Management and General	Fund-raising	Total	Program Services	Management and General	Fund-raising	Total
Salaries	\$ 14,679,167	\$ 819,522	\$ 454,149	\$ 15,952,838	\$ 2,430,238	\$ 178,958	\$ 2,419	\$ 2,611,615
Employee benefits	2,164,786	144,112	75,849	2,384,747	425,175	31,470	405	457,050
Payroll Taxes	1,070,012	57,600	32,494	1,160,106	180,513	12,578	174	193,265
Total salaries and related expenses	17,913,965	1,021,234	562,492	19,497,691	3,035,926	223,006	2,998	3,261,930
Professional fees and contract services	1,268,783	141,388	302,775	1,712,946	119,749	30,875	1,614	152,238
Supplies and other operating expenses	1,213,604	23,693	55,567	1,292,864	377,734	5,174	296	383,204
Equipment expense	324,612	22,914	14,826	362,352	95,093	5,004	79	100,178
Occupancy	1,972,224	81,089	30,525	2,083,838	425,156	17,707	163	443,026
Travel and transportation	464,247	5,079	2,311	471,637	563,615	1,109	12	564,736
Personnel recruitment and development	156,905	36,051	2,196	195,152	12,720	7,872	12	20,604
Insurance	356,665	15,879	5,804	378,148	254,046	3,424	31	257,501
Food	580,661	154	5	580,820	4,608	34	-	4,642
Contributed goods and services	561,707	-	-	561,707	-	-	-	-
Litigation and related charges in estimate	27,500	-	-	27,500	-	-	-	-
Chinese drywall repairs	1,000,000	-	-	1,000,000	-	-	-	-
Miscellaneous	62,436	19,255	17,499	99,190	5,708	4,205	94	10,007
Specific assistance to individuals	10,133,963	-	-	10,133,963	61,117	-	-	61,117
Interest	4,270	-	-	4,270	-	-	-	-
Amortization	-	-	-	-	-	-	-	-
Depreciation	694,747	30,535	1,918	727,200	490,015	6,668	11	496,694
Total expenses	\$ 36,736,289	\$ 1,397,071	\$ 995,918	\$ 39,129,278	\$ 5,445,489	\$ 305,078	\$ 5,310	\$ 5,755,877

(continued)

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES  
NEW ORLEANS, LOUISIANA**

**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES, CONTINUED**

For the year ended June 30, 2012  
(with comparative totals for 2011)

	PACE				2012 Consolidated Totals				2011 Consolidated Totals
	Program Services	Management and General	Fund-raising	Total	Program Services	Management and General	Fund-raising	Total	
Salaries	\$ 3,351,832	\$ 220,079	\$ 2,072	\$ 3,573,983	\$ 20,461,237	\$ 1,218,559	\$ 458,640	\$ 22,138,436	\$ 24,920,529
Employee benefits	384,282	38,700	346	423,328	2,974,243	214,282	76,600	3,265,125	3,366,600
Payroll Taxes	234,881	15,468	148	250,497	1,485,406	85,646	32,816	1,603,868	1,786,393
Total salaries and related expenses	3,970,995	274,247	2,566	4,247,808	24,920,886	1,518,487	568,056	27,007,429	30,073,522
Professional fees and contract services	714,110	37,969	1,382	753,461	2,102,642	210,232	305,771	2,618,645	3,806,936
Supplies and other operating expenses	259,544	6,363	254	266,161	1,850,882	35,230	56,117	1,942,229	3,541,279
Equipment expense	104,034	6,153	68	110,255	523,741	34,071	14,973	572,785	1,101,083
Occupancy	249,337	21,776	139	271,252	2,646,717	120,372	30,827	2,798,116	3,394,365
Travel and transportation	232,663	1,364	11	234,038	1,260,325	7,552	2,334	1,270,411	1,994,696
Personnel recruitment and development	46,915	9,681	10	56,606	216,540	53,604	2,218	272,362	584,567
Insurance	196,831	4,210	26	201,067	807,542	23,313	5,861	836,716	914,074
Food	143,493	41	-	143,534	728,762	229	5	728,996	45,153,024
Contributed goods and services	-	-	-	-	561,707	-	-	561,707	458,628
Litigation and related changes in estimate	-	-	-	-	27,500	-	-	27,500	(682,327)
Chinese drywall repairs	-	-	-	-	1,000,000	-	-	1,000,000	2,600,000
Miscellaneous	30,912	13,371	90	44,373	99,056	36,831	17,683	153,570	303,969
Specific assistance to individuals	4,167,871	-	-	4,167,871	14,362,951	-	-	14,362,951	9,805,524
Interest	8	-	-	8	4,278	-	-	4,278	338,210
Amortization	11,418	-	-	11,418	11,418	-	-	11,418	11,418
Depreciation	199,160	-	-	199,160	1,383,922	37,203	1,929	1,423,054	1,918,681
Total expenses	\$ 10,327,291	\$ 375,175	\$ 4,546	\$ 10,707,012	\$ 52,509,069	\$ 2,077,324	\$ 1,005,774	\$ 55,592,167	\$ 105,317,849

See accompanying independent auditors' report.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES  
NEW ORLEANS, LOUISIANA**

**CONSOLIDATING SCHEDULE OF ACTIVITIES BY PROGRAM SERVICES**

For the year ended June 30, 2012

	Head Start	Adult Day Health Care	Padua Pediatrics and Adult	Community Centers and Services	Residential Special Needs	Non-Residential Day Programs	Totals	Food for Families	PHILMAT Community Centers and Services	Totals	PACE	2012 Consolidated Totals
<b>Revenues</b>												
Public support												
Contributions	\$ 296,865	\$ 85,192	\$ 180,354	\$ 16,888,847	\$ 242,862	\$ 1,700,968	\$ 19,395,088	\$ 317,109	\$ 115,703	\$ 432,812	\$ 102,017	\$ 19,929,917
Contributed goods and services	202,992	52,200	1,753	1,305	99,767	203,690	561,707	-	-	-	-	561,707
United Way												
Southeast Louisiana												
Allocations	101,566	32,061	-	134,616	99,022	54,708	421,973	-	-	-	-	421,973
Designations	-	-	-	127,811	72,022	84	199,917	-	10,000	10,000	-	209,917
Combined Federal Campaign	-	-	-	26,474	-	-	26,474	-	-	-	-	26,474
St. Charles Parish												
Allocations	-	-	-	71,469	-	222,195	293,664	-	-	-	-	293,664
St. John Parish												
Allocations	-	-	-	-	-	56,825	56,825	-	-	-	-	56,825
Special events (net of direct costs)	-	-	-	8,915	-	218,363	227,278	-	-	-	-	227,278
Total public support	601,423	169,453	182,107	17,259,437	513,673	2,456,833	21,182,926	317,109	125,703	442,812	102,017	21,727,755
Governmental financial assistance												
Federal	4,456,900	493,059	3,932,664	718,429	2,958,106	2,190,126	14,749,284	5,043,479	157,130	5,200,609	11,143,047	31,092,940
Other governmental agencies	-	136,036	-	717,503	79,762	190,220	1,123,521	-	65,107	65,107	-	1,188,628
Total governmental financial assistance	4,456,900	629,095	3,932,664	1,435,932	3,037,868	2,380,346	15,872,805	5,043,479	222,237	5,265,716	11,143,047	32,281,568
Other revenue												
Program service fees	1,156	259,272	211,153	284,038	126,226	1,290,535	2,172,380	-	9,626	9,626	49,188	2,231,194
Rent	-	-	1,544	10,439	-	-	11,983	-	2,475	2,475	-	14,458
Miscellaneous	(185)	820	3,212	47,071	(102,238)	300,394	249,074	5,469	-	5,469	90	254,631
Gain (loss) on disposition of property	32,550	-	-	(32,608)	-	(202,185)	(202,243)	-	-	-	-	(202,243)
Property recoveries	-	1,090	-	-	7,655	11,516	20,261	6,037	-	6,037	11,904	38,202
Total other revenue	33,521	261,182	215,909	308,940	31,643	1,400,260	2,251,455	11,506	12,101	23,607	61,182	2,336,244
Total revenue	5,091,844	1,059,730	4,330,680	19,004,309	3,583,184	6,237,439	39,307,186	5,372,094	360,041	5,732,135	11,306,246	56,345,567
<b>Expenses</b>												
Salaries	2,707,971	664,349	2,300,661	3,580,861	1,709,005	3,716,320	14,679,167	2,279,722	150,516	2,430,238	3,351,832	20,461,237
Employee benefits	427,058	110,586	388,105	458,850	248,780	531,407	2,164,786	393,962	31,213	425,175	384,282	2,974,243
Payroll taxes	195,727	47,736	165,643	265,949	125,949	268,958	1,070,012	165,811	14,702	180,513	234,881	1,485,406
Total salaries and related expenses	3,330,806	822,671	2,854,409	4,305,660	2,083,734	4,516,685	17,913,965	3,839,495	196,431	3,035,926	3,970,995	24,920,886
Professional fees and contract service payments	55,786	36,233	78,316	460,039	353,666	284,743	1,268,783	100,182	19,587	119,749	714,110	2,102,642
Supplies and other operating expenses	218,310	39,308	212,503	180,409	78,235	484,836	1,213,604	357,510	20,224	377,734	259,544	1,850,882
Equipment expense	46,785	5,932	27,995	127,248	31,519	85,133	324,612	93,045	2,050	95,095	104,034	523,741
Occupancy	277,432	124,218	257,056	428,243	240,953	644,322	1,972,224	402,424	22,732	425,156	249,337	2,646,717
Travel and transportation	8,879	47,947	95,972	210,897	22,471	78,081	464,247	553,298	10,317	563,615	232,663	1,260,525
Personnel recruitment and development	30,080	3,130	10,125	40,261	14,525	58,784	156,905	9,962	2,758	12,720	46,915	216,540
Insurance	29,900	14,400	41,146	114,209	29,491	127,519	356,665	238,954	15,092	254,046	196,831	807,542
Food	215,002	108,491	212,753	12,529	31,181	705	580,661	557	4,051	4,608	143,493	728,762
Contributed goods and services	202,992	52,200	1,753	1,305	99,767	203,690	561,707	-	-	-	-	561,707
Management and general	243,649	69,207	217,980	336,745	166,489	363,001	1,397,071	288,759	16,319	305,078	375,175	2,077,324
Litigation and related changes in estimate	-	-	-	-	-	27,500	27,500	-	-	-	-	27,500
Chinese drywall repairs	-	-	-	1,000,000	-	-	1,000,000	-	-	-	-	1,000,000
Miscellaneous	2,554	2,940	13,177	17,701	7,875	18,189	62,436	3,557	2,151	5,708	30,912	99,056
Specific assistance to individuals	67	3,532	43,720	8,556,253	860,354	670,037	10,133,963	-	61,117	61,117	4,167,871	14,362,951
Fundraising	1,731	153	1,972	910,249	3,266	78,547	995,918	69	5,241	5,310	4,546	1,005,774
Interest	-	-	1,125	5	-	3,140	4,270	-	-	-	8	4,278
Amortization	-	-	-	-	-	-	-	-	-	-	11,418	11,418
Depreciation	154,510	23,628	70,669	68,122	81,559	296,259	694,747	477,283	12,732	490,015	199,160	1,383,922
Total expenses	4,818,486	1,351,990	4,140,671	16,269,873	4,105,085	7,941,171	39,129,278	5,365,075	390,802	5,755,877	10,707,012	55,592,167
Change in net assets before												
Investment activity	273,358	(294,260)	190,009	2,334,434	(521,901)	(1,702,732)	177,908	7,019	(30,761)	(23,742)	599,234	753,400
Investment gain	167	167	167	41,089	4,065	95,524	142,179	2,091	-	-	-	144,270
Change in net assets	\$ 273,525	\$ (294,093)	\$ 190,176	\$ 2,275,523	\$ (517,836)	\$ (1,607,208)	\$ 320,087	\$ 9,110	\$ (30,761)	\$ (21,651)	\$ 599,234	\$ 897,670

(continued)

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES  
NEW ORLEANS, LOUISIANA**

**CONSOLIDATING SCHEDULE OF ACTIVITIES BY PROGRAM SERVICES, CONTINUED**

For the year ended June 30, 2012  
(with comparative totals for 2011)

	Head Start	Food for Families	Adult Day Health Care	PACE	Pediatric Pediatrics and Adult	Community Centers and Services	Residential Special Needs	Non-Residential Day Programs	2012	2011
<b>Revenues</b>										
Public support:										
Contributions	\$ 296,863	\$ 317,109	\$ 85,192	\$ 102,017	\$ 180,334	\$ 17,004,550	\$ 242,862	\$ 1,700,968	\$ 19,929,917	\$ 18,095,321
Contributed goods and services	202,992	-	52,200	-	1,753	1,305	99,767	203,690	561,707	34,412,153
United Way:										
Southeast Louisiana:										
Allocations	101,566	-	32,061	-	-	134,616	99,022	54,708	421,973	756,289
Designations	-	-	-	-	-	137,811	72,022	84	209,917	202,807
Combined Federal Campaign	-	-	-	-	-	26,474	-	-	26,474	70,423
St. Charles Parish:										
Allocations	-	-	-	-	-	71,469	-	222,193	293,664	377,930
St. John Parish:										
Allocations	-	-	-	-	-	-	-	56,823	56,823	81,250
Academy:										
Allocations	-	-	-	-	-	-	-	-	-	32,357
Special events (net of direct costs)	-	-	-	-	-	8,915	-	218,363	227,278	291,399
Total public support	601,423	317,109	169,453	102,017	182,107	17,385,140	513,679	2,456,833	21,727,753	34,319,949
Governmental financial assistance:										
Federal	4,456,900	5,043,479	493,059	11,143,047	3,932,664	875,559	2,958,106	2,190,126	31,092,940	45,142,562
Other governmental agencies	-	-	136,036	-	-	782,610	79,762	190,220	1,188,628	3,395,008
Total governmental financial assistance	4,456,900	5,043,479	629,095	11,143,047	3,932,664	1,658,169	3,037,868	2,380,346	32,281,568	48,537,570
Other Revenues:										
Program service fees	1,156	-	259,272	49,188	211,153	293,664	126,226	1,290,535	2,231,194	2,966,806
Rent	-	-	-	-	1,344	12,914	-	-	14,458	402,800
Miscellaneous	(183)	5,469	820	90	3,212	47,071	(102,238)	300,394	254,633	684,887
Gain or loss on disposal of property	32,550	-	-	-	-	(72,608)	-	(202,185)	(202,243)	(103,466)
Property recoveries	-	6,037	1,090	11,904	-	-	7,655	11,516	38,202	235,214
Total other revenues	33,521	11,506	261,182	61,182	215,909	321,041	31,643	1,400,260	2,336,244	4,187,241
Total revenues	5,091,844	5,372,094	1,059,730	11,306,246	4,330,680	19,364,350	3,583,184	6,237,439	56,345,567	107,044,760
<b>Expenses</b>										
Salaries	2,707,971	2,279,722	664,349	3,351,832	2,300,681	3,731,377	1,709,003	3,716,320	20,461,237	22,247,524
Employee benefits	427,058	393,962	110,586	384,282	388,105	490,063	248,780	331,407	2,974,243	2,976,103
Payroll taxes	195,777	165,811	47,716	234,881	165,643	280,651	125,949	268,958	1,485,406	1,593,987
Total salaries and related expenses	3,330,806	2,839,495	822,671	3,970,995	2,854,409	4,502,091	2,083,734	4,316,685	24,920,886	26,817,614
Professional fees and contract service payments	55,786	100,162	36,233	714,110	78,316	479,626	353,666	284,743	2,103,642	2,935,330
Supplies and other operating expenses	218,313	357,510	39,308	259,544	212,503	200,633	78,215	484,836	1,850,882	2,624,384
Equipment expense	46,783	93,045	5,932	104,034	27,995	129,298	31,519	85,133	523,741	943,325
Occupancy	277,432	402,424	124,218	249,337	257,056	450,975	240,953	644,322	2,646,717	3,240,033
Travel and transportation	8,879	553,298	47,947	232,663	95,972	221,214	22,471	78,081	1,260,525	1,978,540
Personnel recruitment and development	10,080	9,962	3,130	46,915	10,125	43,019	14,525	58,784	216,540	435,688
Insurance	29,900	238,954	14,400	196,831	41,146	129,301	29,491	127,519	807,542	907,077
Food	215,002	557	108,491	143,493	212,733	16,580	31,181	705	728,762	45,152,618
Contributed goods and services	202,992	-	52,200	-	1,753	1,305	99,767	203,690	561,707	458,628
Management and general	243,649	288,759	69,207	373,175	217,980	353,064	166,489	363,001	2,077,324	3,216,754
Litigation and related changes in estimates	-	-	-	-	-	-	-	27,500	(682,327)	-
Chinese drywall repairs	-	-	-	-	-	1,000,000	-	-	1,000,000	2,600,000
Miscellaneous	2,554	3,557	2,940	30,912	13,177	19,852	7,875	18,189	99,056	192,472
Specific assistance to individuals	67	-	3,532	4,167,871	43,720	8,617,370	860,354	670,037	14,362,951	9,805,528
Fundraising	1,731	69	153	4,546	1,972	915,490	3,266	78,347	1,005,774	2,443,108
Interest	-	-	-	11	1,123	5	-	3,140	4,278	338,210
Amortization	-	-	-	11,418	-	-	-	-	11,418	11,418
Depreciation	154,510	477,283	23,628	199,160	70,669	80,854	81,559	296,259	1,383,922	1,899,453
Total expenses	4,818,486	5,365,075	1,333,990	10,707,012	4,140,671	17,160,677	4,105,085	7,941,171	53,592,167	105,317,849
Change in net assets before investment activity	273,358	7,019	(294,260)	599,234	190,009	2,203,673	(521,901)	(1,703,732)	753,400	1,726,911
Investment income	167	2,091	167	-	167	41,089	4,065	96,524	144,270	2,281,947
Change in net assets	\$ 273,525	\$ 9,110	\$ (294,093)	\$ 599,234	\$ 190,176	\$ 2,244,762	\$ (517,836)	\$ (1,607,208)	\$ 897,670	\$ 4,010,858

See accompanying independent auditors' report.

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS AND SUBSIDIARIES  
NEW ORLEANS, LOUISIANA**

**SCHEDULE OF SUPPORT, REVENUE, AND EXPENSES PREPARED  
FOR THE UNITED WAY OF SOUTHEAST LOUISIANA**

For the year ended June 30, 2012  
(Unaudited)

**SECTION A - FUNCTIONAL BUDGET SPREADSHEET**

FORM 1

FUNCTIONAL BUDGET SPREADSHEET		AGENCY TOTAL (SUM 2 + 3)	ADMINISTRATION FUNDRAISING Management & General	TOTAL PROGRAM SERVICES SUM (4 to 13)	Adult Day Health Care	Head Start	Podiatry & Adult	Community Centers & Services	Residential Special Needs	Non-Residential Day Programs	Food for Families	PACE
		1	2	3	4	5	6	7	8	9	10	11
<b>REVENUE (For United Way request, indicate Goal Areas)</b>												
1	4201 CLIENT GENERATED SELF SUPPORT	\$ 4,016,696	\$ -	\$ 4,016,696	\$ 137,178	\$ 474,757	\$ 153,448	\$ 1,193,686	\$ 311,113	\$ 1,356,534	\$ 316,249	\$ 73,731
2	5000 GOVERNMENT GRANTS/CONTRACTS	32,281,568		32,281,568	629,095	4,456,900	3,932,664	1,658,169	3,037,868	2,380,346	5,043,479	11,143,047
3	4800 OTHER FOUNDATIONS OR NATIONAL GRANTS	16,702,206	-	16,702,206	214	25,100	28,659	15,821,084	31,516	766,487	860	28,286
4	6700 OTHER REVENUE	2,480,514		2,480,514	261,349	33,688	216,076	362,130	35,708	1,496,784	13,597	61,182
5	<b>TOTAL SELF GENERATED REVENUE</b>	<b>55,480,984</b>		<b>55,480,984</b>	<b>1,027,836</b>	<b>4,990,445</b>	<b>4,330,847</b>	<b>19,033,069</b>	<b>3,416,205</b>	<b>6,000,151</b>	<b>5,374,185</b>	<b>11,306,246</b>
6	4702 UNITED WAY DESIGNATIONS	209,917	-	209,917		-	-	137,811	72,022	84	-	
7	4703 CFC DESIGNATIONS	26,474	-	26,474	-	-	-	26,474			-	
8	4704 OTHER UNITED WAY GRANTS	350,489	-	350,489		-	-	71,469		279,020	-	
9	<b>TOTAL REVENUE</b>	<b>56,067,864</b>	<b>-</b>	<b>56,067,864</b>	<b>1,027,836</b>	<b>4,990,445</b>	<b>4,330,847</b>	<b>19,270,823</b>	<b>3,488,227</b>	<b>6,279,255</b>	<b>5,374,185</b>	<b>11,306,246</b>
10	4701 UNITED WAY OF SOUTHEAST LOUISIANA	421,973	-	421,973	32,061	101,566	-	134,616	99,022	54,708		-
11	<b>GRAND TOTAL REVENUE</b>	<b>\$ 56,489,837</b>	<b>\$ -</b>	<b>\$ 56,489,837</b>	<b>\$ 1,059,897</b>	<b>\$ 5,092,011</b>	<b>\$ 4,330,847</b>	<b>\$ 19,405,439</b>	<b>\$ 3,587,249</b>	<b>\$ 6,333,963</b>	<b>\$ 5,374,185</b>	<b>\$ 11,306,246</b>
<b>EXPENSES</b>												
12	7000 SALARIES	\$ 22,138,436	\$ 1,677,199	\$ 20,461,237	\$ 664,349	\$ 2,707,971	\$ 2,300,661	\$ 3,731,377	\$ 1,709,005	\$ 3,716,320	\$ 2,279,722	\$ 3,351,832
13	7100 BENEFITS	3,265,125	290,882	2,974,243	110,586	427,058	388,105	490,063	248,780	531,407	393,962	384,282
14	7200 TAXES	1,603,868	118,462	1,485,406	47,736	195,777	165,643	280,651	125,949	268,958	165,811	234,881
15	8400 OCCUPANCY EXPENSES	2,798,116	151,399	2,646,717	124,218	277,432	257,056	450,975	240,953	644,322	402,424	249,337
16	8700 TRAVEL & TRANSPORTATION EXP	1,270,411	9,886	1,260,525	47,947	8,879	95,972	221,214	22,471	78,081	553,298	232,663
17	8100 SUPPLIES	1,942,229	91,347	1,850,882	39,308	218,313	212,503	209,633	78,235	484,836	357,510	259,544
18	8600 PRINTING		-	-	-	-	-	-	-	-	-	-
19	8900 DIRECT ASSISTANCE TO INDIVIDUALS	15,653,654	234	15,653,420	164,223	418,061	258,226	8,635,255	991,302	874,432	557	4,311,364
20	9400 OTHER	6,920,328	743,689	6,176,639	86,263	319,615	242,353	1,881,955	518,635	901,267	922,963	1,303,188
21	<b>GRAND TOTAL EXPENSES</b>	<b>\$ 55,592,167</b>	<b>\$ 3,083,098</b>	<b>\$ 52,509,069</b>	<b>\$ 1,284,630</b>	<b>\$ 4,573,106</b>	<b>\$ 3,920,719</b>	<b>\$ 15,892,123</b>	<b>\$ 3,935,330</b>	<b>\$ 7,499,623</b>	<b>\$ 5,076,247</b>	<b>\$ 10,327,291</b>
22	<b>NET DIFFERENCE</b>	<b>\$ 897,670</b>	<b>\$ (3,083,098)</b>	<b>\$ 3,980,768</b>	<b>\$ (224,733)</b>	<b>\$ 518,905</b>	<b>\$ 410,128</b>	<b>\$ 3,513,316</b>	<b>\$ (348,081)</b>	<b>\$ (1,165,460)</b>	<b>\$ 297,938</b>	<b>\$ 978,955</b>

**SECTION B - EXPENSES ANALYSIS**

23-Total Direct Program Expenses	\$ 1,284,630	4,573,106	3,920,719	15,892,123	3,935,330	7,499,623	5,076,247	10,327,291
24 Percent of Total Program Expenses	2.45%	8.71%	7.47%	30.27%	7.49%	14.28%	9.67%	19.67%
25-Distribution of M & G Expenses	\$ 69,360	245,380	219,952	1,268,554	169,755	441,548	288,828	379,721
26-Grand Total Program Expenses	\$ 1,353,990	4,818,486	4,140,671	17,160,677	4,105,085	7,941,171	5,365,075	10,707,012
27-Projected Undup. People Served	157	625	68	6,775	2,181	6,904	68,116	186
28-Cost per Person	\$ 8,624	7,710	60,892	2,533	1,882	1,150	79	57,565

See accompanying independent auditors' report.

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**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**  
**AND SUBSIDIARIES**

**SINGLE AUDIT REPORT**

**JUNE 30, 2012**

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**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**  
**New Orleans, Louisiana**

**Single Audit Reports**

**June 30, 2012**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Most Reverend Gregory M. Aymond and the Board of Directors,  
Catholic Charities Archdiocese of New Orleans and Subsidiaries, New Orleans, Louisiana

We have audited the financial statements of Catholic Charities Archdiocese of New Orleans (the Agency), as of and for the year ended June 30, 2012, and have issued our report thereon dated December 12, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

The management of the Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



This report is intended solely for the information of the Agency, the Agency's management, and federal awarding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Postlewaite & McHrille*

Metairie, Louisiana  
December 12, 2012

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Most Reverend Gregory M. Aymond and the Board of Directors,  
Catholic Charities Archdiocese of New Orleans and Subsidiaries, New Orleans, Louisiana

**Compliance**

We have audited the compliance of Catholic Charities Archdiocese of New Orleans (the Agency) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The Agency's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Agency's compliance with those requirements.

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

**Internal Control Over Compliance**

The management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Agency's internal control over compliance with the requirements that could have a direct and material effect on a major federal program.

to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the Agency, as of and for the year ended June 30, 2012, and have issued our report thereon dated December 12, 2012. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting or other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of the Agency's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on the Agency's compliance but not to provide an opinion on the effectiveness of the Agency's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.

*Postethuranda Nettville*

Metairie, Louisiana  
December 12, 2012

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended June 30, 2012

<u>Federal Grantor/Pass-Through Grantor/ Program Title/Program Description</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Agriculture</b>			
Pass-through programs from:			
State of Louisiana Department of Education			
Department of Education			
Division of Nutrition Assistance			
School Breakfast Program			
Child Residential Care	10 553	not known	\$ 29,525
Child and Adult Care Food Program			
Child Day Care	10 558	not known	351,090
Adult Day Health Care	10 558	not known	83,875
Total - Child and Adult Care Food Program			434,965
Total - Louisiana Department of Education			464,490
Department of Health and Hospitals			
Office of Public Health			
Commodity Supplemental Food Program	10 565	42-0861/616114	5,043,475
Total - State of Louisiana			5,507,965
Total - U.S. Department of Agriculture			5,507,965
<b>U.S. Department of Housing and Urban Development</b>			
Direct Programs			
Supporting Housing Program			
Transitional Housing	14.235	LA488-50-3020	197,036
Permanent Housing	14.235	not known	129,325
Total - direct programs			326,361
Pass-through programs from:			
Catholic Charities USA			
Housing Counseling Assistance Program	14 169	not known	15,094
Louisiana Housing Finance Agency			
Operation Helping Hands	14.228	not known	522,923
City of New Orleans			
Community Development Block Grants	14.218	50-096(92)/PC750 24817	22,791
Emergency Shelter Grants Program			
Emergency Shelter Care	14 231	SESG 018	38,375
Total - City of New Orleans			584,089
Parish of Jefferson			
Department of Community Development Programs			
Community Development Block Grants			
Emergency Shelter Care	14 218	not known	100,000
Homeless Prevention	14 257 - ARRA	not known	1,738
Emergency Shelter Grants Program			
Emergency Shelter Care	14 231	not known	214,407
Total - Parish of Jefferson			316,145

(Continued)

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended June 30, 2012

<u>Federal Grantor/Pass-Through Grantor/ Program Title/Program Description</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entry Identifying Number</u>	<u>Federal Expenditures</u>
Unity Rapid Rehousing Transitional Housing	14.228	not known	\$ 279,091
UNITY for the Homeless, Inc			
Supportive Housing Program			
Mental Health	14.235	not known	429,398
Transitional Housing	14.235	LA48-B-50-3019	190,763
Emergency Shelter Care	14.235	LA48-B-50-3032	51,925
Community Centers	14.235	LA48-B-50-3011	118,015
Total - UNITY for the Homeless, Inc			790,101
Total pass-through programs			1,984,520
Total - U S Department of Housing and Urban Development			2,310,881
U S. Department of Justice			
Direct Programs			
Recovery Act Transitional Housing	16 805 - ARRA	not known	115,479
Appropriation	16 753	not known	89,021
Total - direct programs			204,500
Pass-through programs from:			
Southeast Louisiana Legal Services			
Legal Assistance for Victims			
Domestic Violence	16 524	16 524	11,753
Louisiana Commission on Law Enforcement and Administration of Criminal Justice			
Crime Victim Assistance			
Domestic Violence	16 575	not known	193,427
Rape Crisis	16 575	not known	130,743
Violence Against Women Formula Grants			
Domestic Violence	16 588	not known	247,325
Immigration Outreach	16 588 - ARRA	not known	14,981
Total - Louisiana Commission on Law Enforcement and Administration of Criminal Justice			586,476
City of New Orleans - Office of Criminal Justice			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders			
Safety Demonstration	16 590	not known	96,373
Total - City of New Orleans - Office of Criminal Justice			96,373
Total - U S Department of Justice			899,102
U S. Department of State			
Pass-through program from:			
United States Conference of Catholic Bishops			
Reception and Placement - direct	19 unk	not known	11,445
Reception and Placement - administration	19 XXX	not known	10,975
Total - U S Department of State			22,420
U S. Department of Transportation			
Pass-through program from			
Louisiana Highway Safety Commission			
Occupant Protection Incentive Grants	20 602	not known	58,410
Total - U S Department of Transportation			58,410

(Continued)

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**  
**NEW ORLEANS, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/ Program Title/Program Description	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Pass-through program from:			
State of Louisiana			
Department of Social Services			
Louisiana Commission for the Deaf			
Rehabilitation Services - Vocational Rehabilitation Grants			
Deaf Action Center	84 126	not known	\$ 18,197
Department of Social Services			
Adult Education - Basic Grants to States	84 002	not known	112,749
Twenty-First Century Community Learning Centers	84.287	not known	<u>124,074</u>
Total - U.S. Department of Education			<u>255,020</u>
U.S. Department of Health and Human Services			
Pass-through programs from:			
State of Louisiana			
Department of Social Services			
Strategies to Empower People (STEP) Program	93 558	not known	<u>7,855</u>
Office of Community Services			
Refugee and Entrant Assistance - State Administered Programs			
Refugee Social Services	93 566	not known	73,729
Refugee Social Services (PPP)	93 566	not known	138,566
Refugee Screening	93 576	not known	<u>11,201</u>
Total - Refugee and Entrant Assistance			<u>223,496</u>
Social Services Block Grant			
Therapeutic Family Services	93 667	not known	<u>628,035</u>
Total - Social Services Block Grant			<u>628,035</u>
Chaffee Foster Care Independence Program			
Independent Living - match	93 674	606911	323,601
Independent Living - ETVP	93 674	607033	<u>221,168</u>
Total - Chaffee Foster Care Independence Program			<u>544,769</u>
DSS Community Canvassers			
Children's Health Insurance Program	93 767	not known	<u>5,334</u>
Total - DSS Community Canvassers			<u>5,334</u>
Total - Louisiana Department of Social Services			<u>1,409,489</u>
Office of the Governor/Office of Women's Policy			
Family Violence Prevention and Services - Grants for Battered Women's Shelters	93 671	C05-9-014	<u>357,787</u>
Total - Office of the Governor/Office of Women's Policy			<u>357,787</u>
Total - State of Louisiana			<u>1,767,276</u>
Total Community Action, Inc			
Head Start Cluster			
Head Start Child Day Care	93 600	06CH0473	<u>4,105,811</u>
Total - Total Community Action, Inc			<u>4,105,811</u>
Total - U.S. Department of Health and Human Services			<u>5,873,087</u>
			(Continued)

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS  
NEW ORLEANS, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the year ended June 30, 2012

<u>Federal Grantor/Pass-Through Grantor/ Program Title/Program Description</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b>Corporation for National and Community Service</b>			
Direct program.			
Foster Grandparents Program			
Foster Grandparents	94 011	045FWLA001	\$ 348,928
Pass-through programs from.			
Louisiana Serve Commission			
Americorps	94 006	06-AC068537	<u>233,821</u>
Total - Corporation for National and Community Service			<u>582,749</u>
<b>U.S. Department of Homeland Security</b>			
Pass-through programs from.			
United Way of Greater New Orleans			
Emergency Food and Shelter National Board Program	97 024	not known	<u>6,030</u>
Total - U S Department of Homeland Security			<u>6,030</u>
Total Expenditures of Federal Awards included in this report			<u>\$ 15,515,664</u>

See accompanying notes to schedule of expenditures of federal awards

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**  
**New Orleans, Louisiana**

**Notes to Schedule of Expenditures of Federal Awards**

**June 30, 2012**

**(1) General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of the federal awards of Catholic Charities Archdiocese of New Orleans, PHILMAT, Inc., and PACE Greater New Orleans. The Agency's reporting entity is defined in note 1 to the financial statements for the year ended June 30, 2012. All federal awards received from federal agencies are included on the schedule.

**(2) Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in note 1 to the Agency's financial statements for the year ended June 30, 2012.

**(3) Relationship to Financial Statements**

Federal awards are included in the basic financial statements of the Agency as follows:

Schedule of Federal Awards	\$ 15,515,664
State funds	1,188,628
Office of Health and Hospitals – Medicaid and Medicare	<u>15,577,276</u>
Total governmental financial assistance	<u>\$ 32,281,568</u>



**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**  
**New Orleans, Louisiana**

**Schedule of Findings and Questioned Costs**

**Year ended June 30, 2012**

**(1) Summary of Auditors' Results**

***Financial Statements***

Type of auditor's report issued	<u>unqualified</u>
Internal control over financial reporting.	
• Material weakness(es) identified?	<u>no</u>
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u>none reported</u>
Noncompliance material to financial statements noted	<u>no</u>

***Federal Awards***

Internal control over major programs	
• Material weakness(es) identified?	<u>no</u>
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u>none reported</u>
Type of auditor's report issued on compliance for major programs	<u>unqualified</u>
Any audit findings which are required to be reported in accordance with section 510(a) of OMB Circular A-133?	<u>no</u>

**Identification of major programs**

U S Department of Agriculture	
Child and Adult Care Food Program	10 558
U S Department of Housing and Urban Development	
Operation Helping Hands	14.228
Supportive Housing Program	14 235
U S Department of Justice	
Violence Against Women Formula Grants	16.588
ARRA -Violence Against Women Formula Grants	16 588
ARRA - Recovery Act Transitional Housing	16 805
U S. Department of Health and Human Services	
Chaffee Foster Care Independence Program	93 674
Head Start Cluster	93 600

**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**  
**New Orleans, Louisiana**

**Schedule of Findings and Questioned Costs**

**Year ended June 30, 2012**

**(1) Summary of Auditors' Results (continued)**

Dollar threshold used to distinguish between Type A and Type B programs.	<u>\$465,470</u>
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Auditee qualified as a low-risk auditee?	<u>yes</u>
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<b>(2) Findings relating to the financial statements reported in accordance with <i>Government Auditing Standards</i>.</b>	<u>none</u>
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<b>(3) Findings and questioned costs relating to federal awards:</b>	<u>none</u>
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**CATHOLIC CHARITIES ARCHDIOCESE OF NEW ORLEANS**  
**New Orleans, Louisiana**

**Summary Schedule of Prior Audit Findings**

**Year ended June 30, 2012**

There were no audit findings in the prior year.